

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine the  
Commission's Future Energy Efficiency Policies,  
Administration and Programs.

Rulemaking 01-08-028  
(Filed August 23, 2001)

**ASSIGNED COMMISSIONER'S RULING  
SCHEDULING A FURTHER PREHEARING CONFERENCE  
TO ADDRESS ENERGY EFFICIENCY-RELATED INCENTIVES AND OTHER  
SCOPING AND SCHEDULING ISSUES**

**Notice of Further Prehearing Conference**

Today's ruling schedules a further prehearing conference (PHC) in this proceeding for Friday, January 23, 2004, at 10:00 a.m. in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. As discussed further below, I expect the PHC to continue into the afternoon, after a working lunch break among interested participants and Commission staff.

By Decision (D.) 03-12-062, the Commission referred the issue of energy efficiency incentives to this proceeding.<sup>1</sup> The focus of the PHC will be to address how this issue should be: (1) incorporated into the schedule and scope of this rulemaking and (2) carefully coordinated with overall procurement incentives that will be developed in the procurement rulemaking (R.01-10-024)

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<sup>1</sup> "It is appropriate to refer the issue of energy efficiency incentives to R.01-08-028 and demand response incentives to R.02-06-001, for disposition in those rulemakings." D.03-12-062, Finding of Fact 35.

PHC participants should review the Commission's discussion of energy efficiency in D.03-12-062 and my rulings dated July 3, September 24 and October 30, 2003, in this proceeding in preparation for the PHC.<sup>2</sup> I solicit participants' input on the best approach to prioritizing the issues, coordinating issues that are interrelated, and sequencing them for scheduling purposes. Participants should comment on which issues continue to lend themselves to workshops, as outlined in my September 24, 2003 ruling, and which may be more suited to evidentiary hearings. ***The purpose of this effort will be to establish a workable schedule for resolving the incentive-related issues in this rulemaking, along with other energy efficiency issues identified in prior rulings and Commission decisions. My goal is to resolve incentive-related issues in time for energy efficiency program implementation beginning in 2005.***

During the morning session of the PHC, we will review the scope of issues in this rulemaking and consider the pros and cons of various options for sequencing and scheduling the issues. After the morning discussion, the assigned Administrative Law Judges (ALJs) and I will give further direction to interested participants so that they may meet and confer during a working lunch with Commission staff. The objective of that meeting will be to develop a consensus approach for incorporating the issue of energy efficiency incentives into this rulemaking, consistent with the timeframe discussed above. Commission staff will present the results of that meeting during the afternoon session, for my consideration.

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<sup>2</sup> These documents are posted on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

### **Coordination with other Proceedings**

By D.03-12-062, the Commission put parties on notice that the development of demand- or supply-side incentives in various resource proceedings would be closely coordinated. The Commission suggested the use of joint workshops or other mechanisms to ensure such coordination, and directed that notices of PHCs or workshops to address any incentive-related issues be sent to the service lists in all related proceedings.<sup>3</sup>

I am therefore serving today's ruling on all appearances and the state service list in this proceeding, the procurement rulemaking (R.01-10-024), the demand-response rulemaking (R.02-06-001) and both rulemakings addressing distributed generation resources (R.98-07-037 and R.99-10-025). I encourage interested parties in these proceeding to participate in the PHC discussion of how best to coordinate the Commission's consideration of energy efficiency incentives with overall procurement incentives and those being considered for other resource types, including demand-response and supply-side resources.

In particular, I want to ensure that any consideration of specific incentive mechanisms related to energy efficiency in this rulemaking is consistent with the overall procurement goals and incentive policies being developed in R.01-10-024. Parties should comment on how best to ensure that result. In addition, as discussed further below, our scheduling and consideration of avoided costs may be of interest to parties in these various resource-related proceedings.

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<sup>3</sup> D.03-12-062, pp. 70-71.

### **Scope of Issues in this Rulemaking**

As discussed in previous rulings, we are in the process of conducting a series of energy efficiency workshops in collaboration with other agencies, in order to learn from the utilities, program providers, consumers, manufacturers, consultants, government agencies and community organizations how the Commission may make the most of the state's energy efficiency resources in the coming years. In my September 24, 2003 ruling, I outlined a set of workshops intended to provide a foundation upon which the Commission may decide the larger issues regarding the overall goals, structure and administration of energy efficiency programs in California. The workshop topics are: (1) The Potential for Energy Efficiency, (2) Customer Needs, (3) Collaboration and Partnership among Program Implementers, (4) Energy Saving Goals, (5) Measuring Energy Savings and Evaluating Programs, and (6) Administrative Options.

We have completed workshops on the first two topics, and a workshop on the third is being scheduled.<sup>4</sup> Written responses to the follow-up questions I posed on the potential for energy efficiency are due on January 7, 2003.<sup>5</sup> In parallel with this effort, the California Energy Commission staff issued its draft report: "Proposed Energy Savings Goals for Energy Efficiency Programs in California" on October 27, 2003. In addition, the record in this rulemaking and the procurement proceeding provides us with initial estimates of energy savings and demand reductions associated with planned 2004-2005 program activities.

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<sup>4</sup> A separate notice will be forthcoming.

<sup>5</sup> See *Assigned Commissioner's Ruling Soliciting Post-Workshop Comments on Energy Efficiency Potential Workshop and Scheduling and Soliciting Pre-Workshop Comments for the Workshop on Consumer Needs*, October 30, 2003.

These efforts contribute to our ability to establish specific energy efficiency goals, both in the near and longer-term, for the purpose of determining the appropriate investment levels in California.

Now that energy efficiency incentives has been added to the list of issues to be addressed in this proceeding, I believe that our efforts to date will need to be fine-tuned so that specific megawatt (MW) and kilowatt-hour (kWh) targets or goals for each utility service territory can be established by year and type of program (or group of programs). I propose that this task be added to the workshop on energy savings goals outlined in my September 24, 2003 ruling. Parties should comment on this proposal in their PHC statements. In presenting their proposals for considering energy efficiency incentives in this proceeding, parties should discuss how the remaining workshops should be sequenced to best capture the interrelationships among issues and enable the Commission to reach a decision on energy efficiency incentives by the end of 2004.

Per D.03-04-055, this proceeding is also the forum for revising and updating the Commission's avoided-cost methodology for analyzing the costs and benefits of energy efficiency programs, including updates for externality adders. Since avoided costs is a key component of evaluating energy efficiency programs on a prospective basis, as well as establishing the value of achieved energy savings for incentive mechanisms or other purposes, we need to discuss the schedule for revising and updating the Commission's methodology at the PHC. The consultants have submitted their Final Draft Report to Energy Division, and at the PHC we will consider how best to solicit public input on that report (e.g., workshops, written comments, evidentiary hearings) and adopt a schedule for the Commission's consideration of the results.

Scheduling this issue will need to be coordinated with our consideration of other issues in this proceeding, as described above. Moreover, we will need to discuss the extent to which the avoided cost calculation methods being considered in this proceeding may have application in other forums where the Commission uses avoided costs for resource evaluations or cost allocation purposes. Interested parties should present as much information in their PHC comments as possible on all current or anticipated applications of avoided costs at the Commission that may be relevant to this discussion, with reference to proceeding numbers, as appropriate.

### **New Service List and Electronic Service Protocols**

We will establish a new service list for this proceeding at the PHC. Those individuals or organizations that wish to remain on or be added as an appearance (with party status) in this proceeding must fill out an appearance form at the PHC.

Those individuals or organizations who wish to remain on or be added to the service list under the “state service” or “information only” categories have the option of filling out an appearance form at the PHC or making their request in writing to Administrative Law Judge Meg Gottstein, Room 5044, 505 Van Ness Avenue, San Francisco, California, 94102. Written requests should reference the proceeding number (R.01-08-028), provide the name of the individual (and organization) and phone number, provide both U.S. mail and electronic service addresses and indicate the category (state service or information only) under which the name should be added.

### **IT IS RULED** that:

1. A further Prehearing Conference (PHC) shall be held on Friday, January 23, 2004, at 10:00 a.m., in the Commission’s Courtroom, State Office

Building, 505 Van Ness Avenue, San Francisco, California. As discussed in this ruling, the PHC will continue into the afternoon, and interested participants should be prepared to meet during the lunch break. The purpose of the PHC will be to address how the issue of energy efficiency incentives will be incorporated into the schedule and scope of this rulemaking. The PHC will also be the forum for discussing how best to ensure that the issue of energy efficiency incentives is addressed in coordination and consistent with the development of overall procurement incentives in the procurement proceeding, R.01-10-024, and other resource-specific proceedings.

2. A new service list will be established at the PHC, as discussed in this ruling.

3. **PHC statements are due no later than January 16, 2004.** As discussed in this ruling, they should present participants' views on the best approach to prioritizing the issues, coordinating issues that are interrelated, and sequencing them for scheduling purposes. Participants should also comment on which issues continue to lend themselves to workshops, as outlined in my September 24, 2003 ruling, and which may be more suited to evidentiary hearings.

4. PHC statements should also discuss how best to coordinate the Commission's consideration of energy efficiency incentives with overall procurement incentives and those being specifically considered for other resource types, including demand-response and supply-side resources. They should present scheduling proposals that achieve the goal of resolving incentive-related issues in time for energy efficiency program implementation beginning in 2005. Joint statements among participants with similar views on these issues are encouraged.

5. As discussed in this ruling, interested parties may also discuss in their PHC statements the extent to which the avoided cost calculation methods being considered in this proceeding may have application in other forums where the Commission uses avoided costs for resource evaluations or cost allocation purposes. Interested parties should present as much information in their PHC comments as possible on all current or anticipated applications of avoided costs at the Commission that may be relevant to this discussion, with reference to proceeding numbers, as appropriate.

6. All PHC statements shall be served on the appearances and state service list in this rulemaking, in the procurement proceeding, R.01-10-024, the demand-response rulemaking (R.02-06-001) and both rulemakings addressing distributed generation resources (R.98-07-037 and R.99-10-025) following the electronic service protocols presented in Attachment A. Process Office will post a consolidated service list for this purpose on the Commission's website, at [www.cpuc.ca.gov](http://www.cpuc.ca.gov) (under "Service Lists"). ***It will be identified as R.01-08-028 "Resource Consol."***

7. This ruling shall be served on the service list in this proceeding and in R.01-10-024, R.02-06-001, R.98-07-037 and R.99-10-025.

Dated December 22, 2003, at San Francisco, California.

/s/ SUSAN P. KENNEDY

Susan P. Kennedy  
Assigned Commissioner



## **ATTACHMENT A**

### **ELECTRONIC SERVICE PROTOCOLS**

These electronic service protocols are applicable to all “appearances” and individuals/organizations on the “state service” list that serve comments or other documents in this proceeding.

#### **1. Party Status in Commission Proceedings**

In accordance with Commission practice, by entering an appearance at a hearing or by other appropriate means, an interested party or protestant gains “party” status. A party to a Commission proceeding has certain rights that non-parties do not have. For example, a party has the right to participate in evidentiary hearings, file comments on a proposed decision, and appeal a final decision. A party also has the ability to consent to waive or reduce a comment period, and to challenge the assignment of an Administrative Law Judge (ALJ). Non-parties do not have these rights, even though they are included on the service list for the proceeding and receive copies of some or all documents.

Non-parties may participate in this proceeding under either the “state service” or “information only” categories. Commission staff members, divisions or branches, Legislators or their staff members, and state agencies or their staff members may participate as under the state service category. They will be allowed to file comments or other documents on issues in this rulemaking, at the direction of the assigned ALJ(s) or Assigned Commissioner.

Those who request to be categorized as “information only” will receive all Commission-generated notices of hearings, rulings proposed decisions and Commission decisions at no charge. However, individuals on the “information only” list will not receive copies of pleadings or other filings in this proceeding,

and may not comment on the issues in this proceeding, unless they later apply for party status.

## **2. Service of Documents by Electronic Mail**

For the purposes of this proceeding, all individuals in appearance and state service categories shall serve documents by electronic mail, and in turn, shall accept service by electronic mail. In some circumstances, however, electronic mail addresses may not be available. In those circumstances, paper copies shall be served by U.S. mail. In addition, paper copies shall be served on the assigned ALJ(s) and Assigned Commissioner.

## **3. Notice of Availability**

If a document, including attachments, exceeds 75 pages, parties may serve a Notice of Availability in lieu of all or part of the document, in accordance with Rule 2.3(c) of the Commission's Rules of Practice and Procedure. However, paper copies of that document shall be served on the assigned ALJ(s) and Assigned Commissioner.

## **4. Filing of Documents**

These electronic service protocols govern service of documents only, and do not change the rules regarding the tendering of documents for filing. Documents for filing must be tendered in paper form, as described in Rule 2, et. seq., of the Commission's Rules of Practice and Procedure.

## **5. Electronic Service Standards**

As an aid to review of documents served electronically, appearances should follow these procedures:

- Merge into a single electronic file the entire document to be served (e.g., title page, table of contents, text, attachments, service list).

- Attach the document file to an electronic note.
- In the subject line of the note, identify the proceeding number; the party sending the document; and the abbreviated title of the document.
- Within the body of the note, identify the word processing program used to create the document if anything other than Microsoft Word. (Commission experience is that most recipients can readily open documents sent in Microsoft Word 6.0/95.)

If the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternative service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon).

Parties should exercise good judgment regarding electronic mail service, and moderate the burden of paper management for recipients. For example, if a particularly complex matrix or cost-effectiveness study with complex tables is an attachment within a document mailed electronically, and it can be reasonably foreseen that most parties will have difficulty printing the matrix or tables, the sender should also serve paper copies by U.S. mail, and indicate that in the electronic note.

## **6. Obtaining Up-to-Date Electronic Mail Addresses**

The current service lists for active proceedings are available on the Commission's web page, [www.cpuc.ca.gov](http://www.cpuc.ca.gov). To obtain an up-to-date service list of electronic mail addresses click on the "Service Lists" bar on the web page, scroll to find the proceeding number (e.g., R.01-08-028), and click on "List." To view and copy the electronic addresses for a service list, download the comma-delimited file, and copy the column containing the electronic addresses.

The Commission's Process Office periodically updates service lists to correct errors or to make changes at the request of parties and non-parties on the list. Parties should copy the current service list from the web page (or obtain paper copy from the Process Office) before serving a document.

#### **7. Pagination Discrepancies in Documents Served Electronically**

Differences among word-processing software can cause pagination differences between documents served electronically and print outs of the original. (If documents are served electronically in PDF format, these differences do not occur, although PDF files can be especially difficult to print out.) For the purposes of reference and/or citation (e.g., at the Final Oral Argument, if held), parties should use the pagination found in the original document.

**(END OF ATTACHMENT A)**



**CERTIFICATE OF SERVICE**

I certify that I have by mail and e-mail this day served a true copy of the original attached Assigned Commissioner's Ruling Scheduling a Further Prehearing Conference to Address Energy Efficiency-Related Incentives and Other Scoping and Scheduling Issues on all parties of record and in Rulemaking (R.) 01-10-024, R.02-06-001, R.98-07-037 and R.99-10-025 in this proceeding or their attorneys of record.

Dated December 22, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.